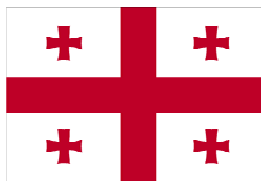


Millennium Challenge Corporation



GEORGIA

Georgia was selected to participate in Millennium Challenge Account program in fiscal years 2004-2006.



General Information:

Population: 4,521,000

Location: Southwestern Asia

Capital City: Tbilisi

Relative Size: slightly smaller than South Carolina

Economic Statistics:

GNI Per Capita: \$1040

Gross Domestic Product: \$5.1 billion

GDP Growth Rate: 9%

Compact Goal

Georgia focused its Program on two key impediments to development in regions outside the capital city, Tbilisi: a lack of reliable infrastructure and the slow development of enterprises, particularly in agribusiness. The MCC Program in Georgia will work to achieve two main objectives:

- Rehabilitate key regional infrastructure, thus improving transportation for regional trade, ensuring a reliable supply of energy, and regional and municipal service delivery
- Develop regional enterprises by funding investment and increasing productivity in farms, agribusinesses and other enterprises to increase jobs and rural income

Mikheil Saakashvili
President of Georgia

"I think it's [MCC] really one of the most... efficient tools of help I'd ever seen and I've seen many assistance programs in my country for the last decade. And I think this is the most efficient, this is the most targeted one, and this is going to produce most of the results."

Expected Results

Within five years, it is estimated that the Program will benefit nearly half a million Georgians and could indirectly impact the lives of a quarter of the population. The Program is also expected to reduce the incidence of poverty in the Samtskhe-Javakheti region by 12 percent. Other benefits include an expected increase of about \$37 million in annual income to households and \$27 million in business revenue nationwide through the Enterprise Development Project.

Update on Progress

- Georgia's Compact was signed on September 12, 2005.
- MCA-Georgia has been established as a legal entity and currently has 25 qualified professional staff, along with a Supervisory Board and a Stakeholders Committee of civil society representatives.
- Initial surveys for the Samtskhe-Javakheti Road have been completed, and procurement for outside project managers to implement several of the projects has already begun.
- MCA-Georgia expects to receive its first regular disbursement for project funding in the first quarter of 2006.